

**STATE PETROLEUM BOARD MEETING TO REVIEW CLAIMS
BOARD MEETING MINUTES
DECEMBER 9, 2004**

Note: Copies of this recorded meeting on cassette tape can be obtained from Keli Stoeffler, NDEP, 333 W. Nye Lane, Room 206, Carson City, Nevada 89706-0851 or by calling (775) 687-9369.

CALL TO ORDER

Mr. John Haycock, Chairman, called the meeting to order at 10:42 AM, with a quorum of five members present. The Call to Order was delayed due to technical difficulties. The meeting was held at the Washoe County District Health Department, 1001 East Ninth Street, Conference Room B, Reno, Nevada. The meeting was video-conferenced with Las Vegas.

BOARD MEMBERS PRESENT

Board members present were: Mr. Leo Drozdoff; Ms. Linda Bowman; Mr. Mike Miller; Mr. John Haycock (Chairman); and Ms. Joanne Blystone. Mr. Edgar Roberts and the Fire Marshall representative were not present at this meeting.

STAFF PRESENT

Mr. Gil Cerruti, Mr. Hayden Bridwell, Ms. Karen Fleming and Ms. Victoria Joncas from the Petroleum Fund, Ms. Shannon Harbour, Ms. Dawn Anderson (Las Vegas Department of Corrective Actions).

I. APPROVAL OF THE AGENDA

Mr. Cerruti requested that Item 48 be removed from the non-consent agenda and be placed under consent agenda items.

Joanne Blystone moved for approval of the agenda, with the exception of the backup paperwork on item number 48. The Motion was seconded. Motion carried unanimously.

II. APPROVAL OF THE SEPTEMBER 9, 2004 MINUTES

Joanne Blystone moved to approve the Minutes. The Motion was seconded. Motion carried unanimously.

Mr. Cerruti introduced the staff who were in attendance. In addition to himself, the attending staff included: Mr. Hayden Bridwell, Ms. Karen Fleming, the recording secretary; and her assistant, Ms. Victoria Joncas. Mr. Cerruti congratulated Ms. Fleming on her promotion to the Water Quality Planning position and commended her on the excellent work performed for the Fund.

III. STATUS OF FUND STATEMENT

Mr. Cerruti announced that the report date of the Fund statement was through November 21, 2004. A total of \$9.8 million dollars has been received. Of this amount, \$7.3 million was a balance forward. To date, since 7/1/04, approximately 2 million dollars had been received in petroleum fees. A balance sheet had been provided to the Board members earlier, which documented the source of the fees. Mr. Cerruti reported that the balance sheet did not reflect an additional amount of approximately one million dollars, which has since been received. Using the balance sheet as a reference, Mr. Cerruti explained the income Fund source in detail.

Referencing the Balance Sheet, Mr. Cerruti stated that a claim reimbursement amount from the September 2004 Board meeting of a little over two million dollars had been paid. The liabilities total approximately one million dollars. Total expenditures were approximately \$3.5 million dollars, with a residual cash balance of approximately \$7.3 million dollars.

Mr. Cerruti recommended the approval of \$1.3 million dollars in reimbursements at today's Board meeting.

At this point in the meeting, the participants in the Las Vegas Office were introduced. These included: Ms. Shannon Harbour, and Ms. Dawn Anderson with the Department of Corrective Actions.

IV. DETERMINATION OF FUND COVERAGE

A. Resolution to Reduce Petroleum Fund Coverage for 7-Eleven Facility #27361, 2910 S. Maryland Parkway, Las Vegas, NV; State Facility #8-000623, Petroleum Fund Case No. 199800053 Resolution 2004-15

Mr. Hayden Bridwell introduced himself and stated that this case was presented previously at the September 2004 Board meeting. Mr. Bridwell provided a brief history of this case, stating that in October of 1998, the NDEP granted this facility through 7-Eleven, full-fund coverage for a gasoline release that was discovered at the facility in April of 1997. That release emanated from one of the three active UST systems that was at the site at that time, and was granted full-coverage in the amount of 1 million dollars with the 10 percent co-pay. To date, the Fund has reimbursed 7-Eleven just over \$86,000 for assessment and clean-up cost associated with that release. During the course of the assessment of that release, several monitoring wells were installed at the sight. Beginning in November of 2000, MTBE concentrations in existing groundwater monitoring wells were observed to increase dramatically. The presence of the increased MTBE concentrations may be evidence of an ongoing release. In August of 2002 7-Eleven had the three tank systems tested using Tracer technology. All three tanks failed the testing, indicating that they were leaking and contributing to the existing ground water plume, and therefore responsible for the MTBE spikes. However, 7-Eleven continued to operate the leaking systems until July of 2003.

Board member Ms. Linda Bowman requested to know if the tracer field tests were reported at that time. Mr. Bridwell replied that they were not reported to NDEP within the twenty-four-hour reporting requirements. The USTs were subsequently removed. An inspection indicated that they were delaminated and had deteriorated, and were the source of the increased MTBE groundwater contamination. In September of 2003, 7-Eleven submitted a Fund coverage application to NDEP requesting coverage for the additional three releases. During the eleven months following tracer testing, 7-Eleven had continued operation of these leaking UST systems. The facility was in violation of several regulations, including release reporting, release

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source investigation, identification and repair and failure to submit an initial claim for these additional releases within twelve months. Because 7-Eleven continued to operate with leaking UST systems for eleven months following the discovery of the three additional releases, they could not provide good cause for why they did not submit their initial claim within twelve months. This issue was reviewed at the September 2004 Board meeting where it was decided by the Board to deny coverage for the additional three releases.

At the September meeting, the Board directed NDEP to present a resolution at the December meeting recommending a modification of Fund coverage for the additional costs associated with the three additional releases. The discovery date of the additional releases is considered to be August 20, 2002, even though the MTBE concentration spikes were observed much earlier than that. This is the date when the tracer testing results became apparent. At the September 2004 meeting, the Board requested that existing coverage take into account the anticipated increased clean-up costs associated with the additional non-covered releases. NDEP requested that 7-Eleven propose an appropriate Fund coverage modification based on their evaluation of the additional time and associated costs necessary to now clean up this MTBE plume, keeping in mind that MTBE is extremely soluble.

On December 1, 2004, 7-Eleven's Certified Environmental Manager, Secor International Inc. (Secor) informed NDEP that 7-Eleven declined to submit a proposal regarding the Fund modification based on increased costs and time to clean up the site and furthermore notified NDEP that 7-Eleven would not appeal the Fund coverage modification proposed in this resolution. Therefore, NDEP recommends that Fund coverage for all assessment and remediation activities occurring at the subject facility on and after August 20, 2002, be reduced by 75 percent. Mr. Bridwell indicated that because Fund coverage for the additional releases had been denied, the reimbursement reduction schedule detailed in Board Resolution #94-023 could not be imposed. Therefore, in the absence of documentation from 7-Eleven providing information regarding potential increase of costs for the additional remediation, the proposed reimbursement modification was based on a simple percentage of Fund coverage granted for the four known releases that have occurred at the facility. The release discovered in April of 1997 emanated from one UST system and was granted full Fund coverage: 100 percent coverage with a 10 percent co-pay. The three releases discovered in August of 2002 were denied Fund coverage. Therefore, of the four petroleum releases known to occur at the facility, only one has been granted Fund coverage. Coverage for one release out of four equates to 25 percent coverage. Denial for three releases out of four equates to a 75 percent reduction. NDEP therefore, requests that the Board adopt resolution # 2004-15 reducing reimbursement for remediation activities occurring on and after August 20, 2002 by 75 percent. This will modify Fund coverage to 25 percent minus a 10 percent co-pay, which equates to 22.5 percent coverage. Upon conclusion of the presentation, Mr. Bridwell requested questions from the Board and public.

A general discussion followed. It was noted that 7-eleven was represented by an individual from Secor and clarified that the April 1997 release discovery was fully covered. The site will continue to be cleaned-up; however, the denial of the three additional releases should be taken into consideration along with the 100 percent coverage from the earlier release. 7-Eleven is entitled to reimbursement for that first release, however coverage for the other three releases has been denied.

Mr. Cerruti pointed out that because of the three additional releases, there have been costs accrued that would have never been incurred with the original release, such as the additional installation of wells ahead of the MTBE plume to delineate the extent of migration.

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A general discussion followed regarding reduction percentages. The reduction schedule of Resolution 94-023 was reviewed. Mr. Leo Drozdoff asked what the cap of this case is. Mr. Bridwell replied, the cap on this case was 1 million dollars with a 10 percent co-pay. The potential reimbursement amount is \$900,000. Mr. Bridwell reiterated that 7-Eleven declined to provide an evaluation proposing a reimbursement reduction. In the absence of such documentation, the 75 percent reduction had been recommended. Mr. Bridwell reported that he spoke with Ms. Harbour, the case officer, who indicated that one additional ground water monitoring well has already been installed because of the plume expansion from the additional releases and there will probably be more wells installed. Ms. Bowman asked if Secor is tracking all costs related to this site and if Secor will submit all expenses to Mr. Bridwell. Mr. Bridwell replied yes. Ms. Bowman wanted it clarified that each expense submitted will be reduced by 75 percent up and until the \$900,000 is reached. Mr. Bridwell stated that is what is being proposed today. Ms. Linda Bowman was satisfied with the explanation.

Linda Bowman moved to approve the recommendation. The Motion was seconded. Motion carried unanimously.

B. Resolution To Grant Coverage under the State Petroleum Fund with a 40 percent reduction for Nevada Nanak Petroleum, 1452 Boulder Highway, Henderson NV; Facility ID No. 8-000255, Petroleum Fund Case ID No. 2004000013, Resolution 2004-13

Mr. Cerruti presented this resolution to reduce Petroleum Fund coverage to Nanak Petroleum. They have three tank systems at the site. Nanak Petroleum has been enrolled in the Funds since 1999 and has an on-going history with periods of con-compliance with Clark County relating to inspections and findings. Documentation to support the inspection results and findings were passed out to the Board for review.

On June 14, 2000, petroleum-contaminated soil was discovered in the turbine sumps and monitoring results indicated a possible leak in the UST. Clark County Health Department (CCHD) requested that an investigation be performed at Nevada Nanak. The tanks were tested on July 10, 2000 and found to be tight. The following year on August 24, 2001, during a compliance inspection, CCHD again requested another investigation be performed. There is no report of a follow-up to that request. One year later on August 14, 2002, another compliance inspection revealed that a UST systems monitoring device had indicated a release might have occurred. A mechanical-line leak detector was removed from one of the turbines and observed to be rusted through. One of the technicians that was present at the site at that time made a statement to CCHD relating to this fact. CCHD noted that this type of release was most likely to have been occurring for a significant period of time. August 14, 2002 is deemed to be the date of leak discovery for this case.

On September 18, 2002, Western Technology filed a spill report for the August 14 event, thirty-four days after the date of release discovery. On November 20, 2002, CCHD conducted a follow-up inspection and determined that the north turbine was leaking gasoline into the pea gravel in the sump and that dispenser number 5/6 was leaking diesel in the pea gravel under the dispenser. A month later in December 2002, CCHD noted that six inches of free diesel product was detected on the water table. At that time, they required precision testing of the UST's and they also found some undocumented pipes and turbines. Color photographs of these were available for review. On December 16, 2002, the systems were tested again. The line leak detector on the unleaded UST system and that portion of the premium tank above the liquid level both failed. The diesel tank passed. Defective O-rings on a turbine were repaired, along with a leaking filter on December 6, 2002. Later in December of that year, the premium tank was retested with helium and passed. NDEP requested the results for that test; however the results were never received.

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In January of 2003, CCHD performed an inspection and determined that diesel was leaking at the turbine. In March 2003, out-of-service turbines, out-of-service fuel and vapor lines previously noted were capped. There were also some monitoring wells, which were not capped. They capped those and removed some contaminated soils. An invoice from the contractor who performed the work is included in the documentation.

On March 17, 2003, a CCHD record of communication indicates that soil sample analyses confirmed BTEX contamination beneath these turbines. On July 28, 2003, NDEP received an application for Fund coverage from Nanak Petroleum for the unleaded and diesel tank systems. Even though the premium tank was leaking, they did not request coverage.

Mr. Cerruti indicated that Subparts E and F of 40 CFR 280 requires that all owners and operators of UST systems take corrective action upon discovery of a discharge. 40 CFR 280.61(b) requires that owner-operators take immediate action to prevent any further release of the regulated substance into the environment. However, action was not taken for four months.

Based on the resolutions previously referenced, (94-023), NDEP recommends a 40 percent reduction of Petroleum Fund reimbursement for any case determined to be non-compliant with the leaking underground storage tank regulations. Based on the evidence, Nevada Nanak failed to report the leaks within twenty-four hours and take immediate action to prevent further release of a regulated substance into the environment by not ensuring that the piping system or turbine repair were made promptly after the leak discovery. Submitted information indicates that the leak from the piping system was allowed to continue for over four months and was only repaired when prompted by CCHD staff. Based on the failure to promptly report and stop further release of a regulated substance, it is staff's determination that Nevada Nanak is non-compliant with regulations and as such recommends a 40 percent reduction.

Steve Schaeffer, Human Resource Group, identified himself as the representative for Nevada Nanak Petroleum. He stated that Nanak Petroleum did not object to the resolution.

Joanne Blystone moved for approval of the recommendation. The Motion was seconded. Motion carried unanimously.

V. ADOPTION OF CONSENT ITEMS

REVIEW OF CLEANUP CLAIMS:

A. HEATING OIL

- | | | |
|----|----------------|---|
| 1. | #1999000113(H) | City of Fallon: City of Fallon Maintenance Yard |
| 2. | #2005000009(H) | Ross Property |
| 3. | #2005000011(H) | Eccles Enterprises: Crystal Bay Post Office |
| 4. | #2005000012(H) | Comstock Large Animal Hospital |
| 5. | #2005000015(H) | Worsnop Residence |

Joanne Blystone moved for adoptions of Agenda Items V, A 1-5. Board member, Ms. Bowman, disclosed that she had represented Ms. Ross on a related matter and would therefore, not vote on item number 2. **The Motion was seconded. Motion carried unanimously with one abstention from Board member Ms. Bowman on Item 2.**

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Mr. Cerruti pointed out that item 1998000053 was earlier moved from the non-consent to the consent items, along with new cases 1-3.

Mr. John Haycock stated he is abstaining from voting on Above Ground Storage Tanks. He turned the meeting over to the Vice Chairman, Ms. Linda Bowman.

B. ABOVE GROUND STORAGE TANKS

1. #1999000066 Haycock Petroleum Dist.: Haycock Petroleum
2. #1999000090 Haycock Petroleum Dist.: Haycock Petroleum

Joanne Blystone moved for adoptions of Agenda Item V. B, 1 and 2. Motion was seconded. Motion carried unanimously with abstention from Mr. Haycock.

Meeting was turned over to Chairman Mr. John Haycock.

C. NEW CASES, OTHER PRODUCTS

1. #1999000244 7-Eleven, Inc.: 7-Eleven #22070
2. #2004000029 Mohammad Ahmad: Gas-N-Save
3. #2005000002 Carson Valley Oil: Carson Valley Oil Bulk Plant

D. OLD CASES, OTHER PRODUCTS

1. #1991000030 Fitzgerald Properties
2. #1991000039 7-Eleven, Inc.: 7-Eleven #29643
3. #1991000059 BP West Coast Products LLC: ARCO #2137
4. #1992000014 BP West Coast Products LLC: ARCO #6068
5. #1992000029 7-Eleven, Inc.: 7-Eleven #29639
6. #1992000034 PDQ Stores, Inc.: PDQ #508
7. #1992000062 Allied Washoe: Allied Petroleum – Elko
8. #1992000087 Anderson Dairy, Inc.: Anderson Dairy
9. #1992000120 Smitten Oil & Tire Co.: Courtesy Corners
10. #1993000051 BP West Coast products LLC: ARCO #4950
11. #1993000100 George Eizman: Eizman's Service
12. #1993000102 Rebel Oil Company: Rebel #8
13. #1993000103 Russell Yardley: Charlie Brown Construction
14. #1993000107 BP West Coast Products LLC: ARCO #5310
15. #1993000114 Linda Hansen: Zintek Properties
16. #1993000115 City of Fallon: Former Bootlegger Texaco
17. #1993000126 Cortez Gold Mines: Mill Site – Beowawe
18. #1994000003 Allied Washoe: Allied Petroleum – Reno
19. #1994000037 Manjeet sodhi: Gofer Market
20. #1994000065 Avis Rent A Car Systems: Avis Rent A Car
21. #1994000067 Peppermill Casinos, Inc.: Mesquite Truck Stop
22. #1994000086 Falconi Motors, Inc.: Falconi's Tropicana Honda
23. #1994000120 Conoco Phillips Company: Union 76 #3846
24. #1994000122 Mark Michelson: Mike's Gas-A-Mart
25. #1994000125 Conoco Phillips Company: Union 76 # 5558

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26.	#1995000022	Conoco Philips Company: Union 76 #4370
27.	#1995000028	Gita Corporation: Gita Corporation Facility
28.	#1995000029	BP West Coast Products LLC: ARCO #1903
29.	#1995000042	FBF, Inc.: Fayeghi Texaco
30.	#1995000074	Vera Hester: Glendale Service Facility
31.	#1995000080	Churchill CO.: Churchill Co. Road Department
32.	#1995000105	Redman Petroleum Corp.: Redman Petroleum
33.	#1995000142	7-Eleven, Inc.: 7-Eleven #29644
34.	#1996000026	Moapa Valley Credit Union: Former Russ Auto
35.	#1996000034	Marilyn Torrez: Former Mountain City Chevron
36.	#1996000058	Bill Abdul: The Country Store
37.	#1996000063	Joan Pennachio: V&V Automotive
38.	#1996000064	Allen Esslinger: Red Rock Mini Mart
39.	#1996000101	Conoco Phillips Company: Circle K #695
40.	#1997000024	BP West Coast Products LLC: ARCO #399
41.	#1997000061	Berry-Hinckley Industries: Berry Hinckley #60
42.	#1997000072	Conoco Phillips Company: Union 76 #5522
43.	#1997000093	Conoco Phillips Company: Union 76 #5257
44.	#1998000014	Berry-Hinckley Industries: Berry-Hinckley #26
45.	#1998000016	Conoco Phillips Company: Circle K #1366
46.	#1998000017	Brinton Investment Co.: The Mountain Store
47.	#1998000025	Washoe Co. School Dist.: Getto Transportation
48.	#1998000053	7-Eleven, Inc.: 7-Eleven #27361
49.	#1998000054	7-Eleven, Inc.: 7-Eleven #29659
50.	#1998000068	Conoco, Inc.: Conoco #28003
51.	#1998000075	Robert Dufferena: McDermitt Service & Motel
52.	#1998000080	Seven Crown Resorts: Echo Bay Resort
53.	#1999000012	BP West Coast Products LLC: ARCO #5319
54.	#1999000017	Reed Distributing: Reed R-Place Shell
55.	#1999000048	Cowan Estates: Former Lightning Lube
56.	#1999000061	Rich Sorani: Rich's Unocal
57.	#1999000089	Jerry Maeder: Jerry's Chevron
58.	#1999000108	Steve Stremmel: Gold Ranch Casino
59.	#1999000114	City of Fallon: City of Fallon Maintenance Yard
60.	#1999000116	Steve Crown Resorts: Echo Bay Resort
61.	#1999000117	Berry-Hinckley Industries: Berry-Hinckley #45
62.	#1999000145	Jerry Applehans: Gange Coach Maintenance
63.	#1999000155	Varney Padgett: Old Washoe Station
64.	#1999000167	City of Las Vegas: Fire Station #1
65.	#1999000182	Berry-Hinckley Industries: W. Mountain Oil #200
66.	#1999000186	Gloria Pilger: Former D&G Oil Facility
67.	#1999000199	Mary Ann Ferguson: Lakeshore Orbit Station
68.	#1999000204	Berry-Hinckley Industries: Trailside General Store
69.	#1999000224	BP West Coast Products LLC: ARCO #5326
70.	#1999000237	Ralph Lisle: Beatty General Store
71.	#1999000239	Jim Gomes: Callville Bay Narina
72.	#1999000243	7-Eleven, Inc., 7-Eleven #27607

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73.	#1999000248	Ron Holman: Southern Wine and Spirits
74.	#1999000252	Western Energetix Corp: Winners Corner #14
75.	#1999000258	7-Eleven, Inc.: 7-Eleven #29665
76.	#1999000273	V.K. Leavitt: The Waterhole
77.	#1999000275	Conoco Phillips Company: Circle K #1248
78.	#1999000276	Robert Harris: Pecos Station Texaco
79.	#2004000014	BP West Coast Products LLC: ARCO #437
80.	#2004000025	BP West Coast Products LLC: ARCO #1580
81.	#2004000027	BP West Coast Products LLC: ARCO #5309

Ms. Joanne Blystone moved to adopt old cases, numbers V,C 1 – 81 and item 1998000053 and new cases V, D 1-3. The Motion was seconded. Board member, Ms. Bowman, disclosed that she must abstain from voting on items numbers 7, 18, and 20 under Old Cases as she had represented those parties in the past. **Motion carried unanimously with Board member Ms. Bowman abstaining from old cases number 7, 18 and 20.**

VI. EXECUTIVE SUMMARY REPORT

Mr. Cerruti reported that 17 new cases have been received since July 1, 2004. There are currently 237 active cases. Of these, 1,225 cases have been processed, 822 cases have been closed, 97 claims have been denied coverage and 41 cases have expired. There are 28 cases in pending status. He reviewed a graph of the activity since March 1997 and reviewed the historical amounts in detail.

There are 611 above ground storage tanks in records and 174 are enrolled in the Fund. Collection of enrollment fees to date totals \$430,000 this year. The goal is to achieve a better than 98.5 percent collection rate. Ms. Blystone inquired about the procedure taken after the third invoice is sent and still no payment received. Mr. Cerruti answered that they are no longer in the Petroleum Fund. In order to be reinstated, proof must be shown that the tank does not leak, whereas, if they are continuously enrolled in the Fund, no proof is required.

Ms. Blystone, requested if any sort of outreach using the fire department relating to the above ground storage tanks had been completed. Mr. Cerruti replied that this has not been completed because the above ground tanks are not registered and therefore we are unaware of their existence.

A short discussion followed regarding the above ground tanks, which are not registered. A list was requested of tank owner names and the reason for non-registration. Mr. Cerruti agreed to provide the list to the Board members.

VII. PUBLIC FORUM

Chairperson, Mr. Haycock announced that a request to speak had been received from Kevin Mirch. Mr. Mirch stated that he was in attendance representing Patrick Taylor in case number 2004000026, Claim Number 1, Facility ID 2-000071. He requested to know the status of payment relating to this case. The name of the facility was Cave Rock Country Store, which was formerly owned by Robert Hager. Mr. Mirch gave a brief history of this matter.

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Mr. Cerruti responded and gave a brief history of this claim stating that Patrick Taylor submitted to the Petroleum Fund a claim for approximately \$166,000. There have been two claims submitted; the \$166,000 was the first. That claim for \$166,000 was processed for the March 2004 Board meeting and the Board reviewed this claim at that meeting. Staff's recommendation for that claim was reimbursement of \$29,861. A Motion was made at the March 2004 meeting for the Board to approve that reimbursement, along with two other cases that were contentious items at that time. Just prior to getting a second on that motion, Mr. Mirch addressed the board and requested that the Board stay the authorization of that amount. Ms. Blystone amended the motion, and the first two contentious items were approved. The case of Patrick Taylor Cave Rock Country Store for \$29,861 was stayed and that's where it remained from March 2004 to the present time. Mr. Cerruti stated that approximately two weeks ago he received a call from a representative of Patrick Taylor requesting to know the status of the reimbursement. This was the \$29,861 that Mr. Taylor had assumed that the Board had approved. At the March 2004 meeting, Mr. Mirch requested that he be given time to review the details of the percent reimbursement reduction, which was 81 percent, (based on what was awarded Mr. Hager), and to provide him the time to review the details of the case. He asked that the authorization for the \$29,861 be stayed.

Mr. Cerruti gave a review of the phone conversations, which followed, relating to this matter, and explained that it would be necessary to approve any reimbursement amount at a future meeting. This case will be agendized for the March 2005 meeting. Currently, the status is that the claimant has been requested to provide proof of payment for the \$166,000 claim. Mr. Cerruti commented that Mr. Taylor has filed a claim against the State of Nevada for other costs incurred as a result of him taking over this cleanup. Mr. Cerruti gave a brief overview of the claim.

Mr. Mirch agreed that the status, as described by Mr. Cerruti, was accurate. He suggested that some sort of process should be set up where Mr. Taylor can work together with the State and, in less time than a year resolve the issue of how much money is reimburseable. A discussion followed regarding the action taken to date and the items that may affect the claim, including a contract. Mr. Mirch clarified that the amount of \$29,861 would not be accepted based on the \$166,000 plus claim.

Board member Ms. Bowman stated that, for the record, she had not previously heard of any of these matters. She clarified that she excuses herself from any decision relating to Cave Rock.

Ms. Joanne Blystone requested that Mr. Wayne Howell, Deputy Attorney General, relating to the agreements and matters discussed, complete a review. Mr. Howell agreed.

Mr. Cerruti reviewed the proof of payment, which is required by statute. He stated that a letter was sent to Mr. Taylor reviewing the two types of proof of payments that would be accepted for the \$166,000 claim.

VIII. CONFIRMATION OF NEXT BOARD MEETING

The next Board meeting will be held on March 10, 2005.

Board member Ms. Bowman requested that staff contact an individual at the State Fire Marshall's Office regarding their absence at board meetings. Mr. Cerruti confirmed that this request had been made previously. Chairperson, Mr. Haycock stated that he would contact the State Fire Marshall's office to reiterate the request. If attendance is not complied with, the next course of action could be a letter from the governor's office.

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XI. ADJOURNMENT

There being no further business, the meeting adjourned at 11: 55 AM.